



General Assembly

February Session, 2016

***Raised Bill No. 302***

LCO No. 1994



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT CONCERNING THE IMPACT OF PROPOSED LEGISLATION  
AND PROPOSED REGULATIONS ON BUSINESSES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 2-24 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 The words "State of Connecticut" shall be printed at the head of each  
4 bill and document printed by order of the General Assembly, or either  
5 house thereof, and on its title page or cover, if any. Before printed,  
6 electronic or photographic copies of an original bill are made, the bill  
7 shall be endorsed with (1) the date of its introduction; (2) its number;  
8 (3) the name of the member or committee introducing it; and (4) the  
9 name of the committee to which it was referred. Copies of bills or  
10 resolutions printed or produced electronically after favorable report by  
11 a committee or reprinted or produced electronically after amendment  
12 on the third reading, i.e., files, shall bear the file number of such bill or  
13 resolution, placed conspicuously at the head of the same, which file  
14 number shall be assigned by the Legislative Commissioners' Office in  
15 the order printed or produced, the number and title of the bill, the

16 name of the committee to which it was referred, the date and nature of  
17 the committee's report, and, in any case where the bill, if passed,  
18 would require the expenditure of state or municipal funds, [or] affect  
19 state or municipal revenue or require the expenditure of funds by or  
20 affect the revenue to any business in the state, a fiscal note, including  
21 (1) an estimate of the cost or of the revenue impact to the state or  
22 municipalities, and (2) an estimate of the number of businesses that  
23 would be subject to the provisions of the bill and the projected costs,  
24 including, but not limited to, those relating to reporting, recordkeeping  
25 and administration, associated with compliance with such bill, shall be  
26 appended thereto. When a bill or resolution is accompanied with a  
27 report of a committee, other than a recommendation that it ought or  
28 ought not to pass, it shall then have an additional endorsement, as  
29 follows: "Accompanied by special report, No.-". Bills shall be  
30 designated in the calendar of each house by their file numbers, as well  
31 as by the titles and numbers of the bills.

32 Sec. 2. Subsection (c) of section 2-71c of the general statutes is  
33 repealed and the following is substituted in lieu thereof (*Effective*  
34 *October 1, 2016*):

35 (c) The legislative Office of Fiscal Analysis shall assist the General  
36 Assembly and the Legislative Department, legislative commissions  
37 and legislative committees in a research and advisory capacity as  
38 follows: (1) Reviewing department and program operating budget  
39 requests; (2) analyzing and helping to establish priorities with regard  
40 to capital programs; (3) checking executive revenue estimates for  
41 accuracy; (4) recommending potential untapped sources of revenue; (5)  
42 assisting in legislative hearings and helping to schedule and prepare  
43 the agenda of such hearings; (6) assisting in the development of means  
44 by which budgeted programs can be periodically reviewed; (7)  
45 preparing short analyses of the costs and long-range projections of  
46 executive programs and proposed agency regulations; (8) keeping  
47 track of federal aid programs to make sure that Connecticut is taking  
48 full advantage of opportunities for assistance; (9) reviewing, on a

49 continuous basis, departmental budgets and programs; (10) analyzing  
 50 and preparing critiques of the Governor's proposed budget; (11)  
 51 studying, in depth, selected executive programs during the interim;  
 52 (12) performing such other services in the field of finance as may be  
 53 requested by the Joint Committee on Legislative Management; (13)  
 54 preparing the fiscal notes, required under section 2-24, as amended by  
 55 this act, upon favorably reported bills which require expenditure of  
 56 state or municipal funds or affect state or municipal revenue or require  
 57 the expenditure of funds by or affect the revenue to any business in the  
 58 state; and (14) preparing at the end of each fiscal year a compilation of  
 59 all fiscal notes on legislation and agency regulations taking effect in the  
 60 next fiscal year, including the total costs, savings and revenue effects  
 61 estimated in such notes. The governing body of any municipality, if  
 62 requested, shall provide the Office of Fiscal Analysis, within two  
 63 working days, with any information that may be necessary for analysis  
 64 in preparation of such fiscal notes. Each officer, board, commission or  
 65 department of the state government shall assist the Office of Fiscal  
 66 Analysis in carrying out its duties and, if requested, shall make its  
 67 records and accounts available to the office in a timely manner, except  
 68 that where there are statutory requirements of confidentiality with  
 69 regard to such records and accounts, the identity of any person to  
 70 whom such records or accounts relate shall not be disclosed.

71 Sec. 3. Section 4-168a of the 2016 supplement to the general statutes  
 72 is repealed and the following is substituted in lieu thereof (*Effective*  
 73 *October 1, 2016*):

74 (a) As used in this section:

75 (1) "Agency", "proposed regulation" and "regulation" have the same  
 76 meanings as provided in section 4-166; and

77 (2) "Small business" means a business entity, including its affiliates,  
 78 that (A) is independently owned and operated and (B) employs fewer  
 79 than [seventy-five] two hundred fifty full-time employees or has gross

80 annual sales of less than five million dollars, provided that an agency,  
81 in adopting regulations in accordance with the provisions of this  
82 chapter, may define "small business" to include a greater number of  
83 full-time employees, not to exceed applicable federal standards or five  
84 hundred, whichever is less, if necessary to meet the needs and address  
85 specific problems of small businesses.

86 (b) Prior to [the adoption of any proposed regulation] or  
87 concomitant with the posting of a notice pursuant to section 4-168,  
88 each agency shall prepare a regulatory flexibility analysis in which the  
89 agency shall [, to the extent appropriate, utilize regulatory methods]  
90 identify:

91 (1) The scope and objectives of the proposed regulation;

92 (2) The types of businesses potentially affected by the proposed  
93 regulation;

94 (3) The total number of small businesses potentially subject to the  
95 proposed regulation;

96 (4) Whether small businesses, in order to comply with the proposed  
97 regulation, may be required to (A) create, file or issue additional  
98 reports; (B) implement additional recordkeeping procedures; (C)  
99 provide additional administrative oversight; (D) hire additional  
100 employees; (E) hire or contract with additional professionals,  
101 including, but not limited to, lawyers, accountants, engineers, auditors  
102 or inspectors; (F) purchase any product or make any capital  
103 investment; (G) conduct additional training, audits or inspections; or  
104 (H) pay additional taxes or fees;

105 (5) Whether and to what extent the agency communicated with  
106 small businesses or small business organizations in developing the  
107 proposed regulation and the regulatory flexibility analysis, if  
108 applicable;

109       (6) Whether and to what extent the proposed regulation provides  
110       alternative compliance methods for small businesses that will  
111       accomplish the objectives of applicable statutes while minimizing  
112       adverse impact on small businesses. Such [regulatory] methods shall  
113       be consistent with public health, safety and welfare [. The agency shall  
114       use, to the extent appropriate, each of the following methods of  
115       reducing the impact of the proposed regulation on small businesses]  
116       and may include, but not be limited to:

117       [(1)] (A) The establishment of less stringent compliance or reporting  
118       requirements for small businesses;

119       [(2)] (B) The establishment of less stringent schedules or deadlines  
120       for compliance or reporting requirements for small businesses;

121       [(3)] (C) The consolidation or simplification of compliance or  
122       reporting requirements for small businesses;

123       [(4)] (D) The establishment of performance standards for small  
124       businesses to replace design or operational standards required in the  
125       proposed regulation; and

126       [(5)] (E) The exemption of small businesses from all or any part of  
127       the requirements contained in the proposed regulation.

128       (c) Prior to the adoption of any proposed regulation that may have  
129       an adverse impact on small businesses, each agency shall notify the  
130       Department of Economic and Community Development and the joint  
131       standing committee of the General Assembly having cognizance of  
132       matters relating to commerce of its intent to adopt the proposed  
133       regulation. Said department and committee shall advise and assist  
134       agencies in complying with the provisions of this section.

135       (d) The requirements contained in this section shall not apply to  
136       emergency regulations issued pursuant to subsection (g) of section 4-  
137       168; regulations that do not affect small businesses directly, including,

138 but not limited to, regulations concerning the administration of federal  
139 programs; regulations concerning costs and standards for service  
140 businesses such as nursing homes, long-term care facilities, medical  
141 care providers, day care facilities, water companies, nonprofit 501(c)(3)  
142 agencies, group homes and residential care facilities; and regulations  
143 adopted to implement the provisions of sections 4a-60g to 4a-60i,  
144 inclusive.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	2-24
Sec. 2	<i>October 1, 2016</i>	2-71c(c)
Sec. 3	<i>October 1, 2016</i>	4-168a

***Statement of Purpose:***

To require fiscal notes by the Office of Fiscal Analysis to include an estimate of the number of businesses that would be affected by proposed legislation and an estimated fiscal impact on such businesses and, for regulatory flexibility analyses of proposed regulations, to redefine small business to include any business with two hundred fifty or fewer employees and to require additional information in such analyses.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*